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UNCLAS MAPUTO 000159

SIPDIS

DEPT FOR L/T - ZYLMAN, L/EB - SVAT AND BLANCK, AF/S -
TREGER, EB/IFD/OIA - ROCHE
DEPT OF COMMERCE FOR MOZAMBIQUE DESK OFFICER - RTECHIN
DEPT OF LABOR FOR ILAB - PWHITE AND RYOUNG
MCC FOR GAULL
DEPT PASS TO CORPORATE COUNCIL ON AFRICA - TMCCOY
DEPT PASS TO USTR - PCOLEMAN AND JSHRIER
JOHANNESBURG PASS TO FCS - RDONOVAN
JOHANNESBURG PASS TO USTDA - JBELL
E.O. 12958: N/A

TAGS: [EINV](#) [ETRD](#) [ECON](#) [BEXP](#) [MZ](#) [BIT](#)

SUBJECT: THE U.S.-MOZAMBIQUE BILATERAL INVESTMENT TREATY
(BIT) FINALIZED

REF: A. 01 STATE 44940

[B](#). EXCHANGE OF INSTRUMENTS OF RATIFICATION MEMO
(01/25/05)

[1](#). On February 1 Ambassador La Lime and Mozambican Minister of Foreign Affairs and Cooperation Leonardo Santos Simao signed the Protocol of Exchange for the instruments of ratification of the US-Mozambique Bilateral Investment Treaty. The US-Mozambique BIT, formally known as the "Treaty Concerning the Encouragement and Reciprocal Protection of Investment" was signed earlier in Washington by both parties on December 1, 1998, ratified by the US Senate in November 2000 and ratified by the Mozambican Council of Ministers in December 2004. With the ratification instruments now exchanged, the Treaty enters into force on March 3, 2005.

[2](#). Bringing the BIT into force is an important step forward for investment and trade between the US and Mozambique. The BIT offers US investors greater protection for their investments and should therefore increase US investor interest in Mozambique. Total flow of US foreign direct investment (FDI) in Mozambique in 2004 was USD 860,000, making the US only the 17th largest foreign investor. South Africa continues to lead, investing USD 58.5 million in 2004 alone. The value of US exports to Mozambique in 2004 (January-November) totaled USD 49 million. US import values from Mozambique for the same period totaled USD 10 million. The US Trade Representative is considering working with the GRM this year to create a Trade and Investment Framework Agreement (TIFA) to further strengthen the bilateral trade relationship.

[3](#). Post is sending via registered pouch the Mozambican instrument of ratification and the US original of the Protocol of Exchange to the Office of the Assistant Legal Adviser for Treaty Affairs in the Department (ref B).
LALIME